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VETO MESSAGE FROM THE GOVERNOR OF THE COMMONWEALTH OF KENTUCKY REGARDING HOUSE BILL 272 OF THE 2021 REGULAR SESSION

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following:

House Bill 272 of the 2021 Regular Session of the General Assembly in its entirety.

I am vetoing House Bill 272 because it is unconstitutional and it puts Kentuckians' lives at risk by attempting to prevent them from being able to be healthy at home during the COVID-19 pandemic by disconnecting utilities for nonpayment of bills or late fees and penalties.

House Bill 272 attempts to unconstitutionally prohibit the Governor or any state government department or officer from issuing any executive order, administrative regulation, or other guidance during a declared emergency — a pandemic, a flood, a winter storm, a tornado, or an earthquake — that stops a city utility subject to or created under KRS Chapter 96 from disconnecting a customer's power, gas, water or wastewater during that emergency for nonpayment of a bill. The bill also attempts to impose the same prohibition for suspending late fees or penalties imposed by a city utility during a declared emergency. House Bill 272 unconstitutionally interferes with the Governor's power and responsibility to confront emergencies and protect Kentuckians. It would severely limit Kentucky's ability to respond to emergencies, which call for flexibility and is why the power to respond to emergencies rests with the full-time executive branch.

House Bill 272 also attempts to allow a water district or water association to impose a 10-percent (10%) late payment charge on customers without the discretion of the Kentucky Public Service Commission – a deliberative public agency that performs quasi-judicial functions – to modify, reject, discontinue, abolish, or suspend late payment charges. House Bill 272 attempts to circumvent the deliberative, evidence-based process of adjudication and regulation by the Commission, which includes the right to a hearing, the right to a re-hearing, and the right to appeal the Commission's decisions. The bill is an attempt to collaterally attack decisions of the Commission related to late payment charges that utilities have chosen not to contest through the re-hearing or appeal process. In addition, no data or evidence was presented during consideration of the bill showing the inability of a water district or water association to charge late fees during the COVID-19 pandemic or other times impairs the district's or association's



economic stability, or that the inability would result in other customers having higher bills. Rather, the evidence showed the opposite. Thus, House Bill 272 purports to present a solution to a problem that does not exist.

Further, by applying the allowable 10-percent (10%) late payment charge to water districts, but not other utilities, and also by barring the Governor from acting during an emergency as to only city utilities to the exception of other utilities, House Bill 272 is special legislation in violation of the Kentucky Constitution.

In addition, House Bill 272 attempts to prohibit the Governor or any state government department or officer from issuing any executive order, administrative regulation, or other guidance during a declared emergency that conflicts with the federal government's recommendations that employees of utilities be classified or treated as essential critical infrastructure workers.

This the 23rd day of March, 2021.

Andy Beshear Governor